

KARI M. MYRON

Attorney

22972 Mill Creek Drive
Laguna Hills, California 92653

949-716-0600
949-716-0606 Facsimile

November 9, 2007

RBC Capital Markets Corporation
One Liberty Plaza
New York, NY 10006-1404

Attn: Argyle Burke, Managing Director
Human Resources Department

✓ RBC Dain Rauscher, Inc.
Dain Rauscher Plaza
60 South Sixth Street
Minneapolis, MN 55402-4422

Attn: Tracy McDonald, Vice President/Manager
Human Resources Department

Re: Steven Benhayon
Date of Termination: September 17, 2007

Dear Mr. Burke and Ms. McDonald:

We thank and acknowledge your prompt response to our request for Mr. Benhayon's personnel files and records. We have now had the opportunity to review these records, in conjunction with other documents provided by our client, as well as the settlement/severance offer made by your good company to Mr. Benhayon, Managing Director of Institutional Sales/Fixed Incomes Sales U.S., for RBC Capital Markets in San Francisco.

Aside from the lack of warning to the horrific events of September 17, 2007 to Mr. Benhayon and others similarly situated across the United States by RBC's sudden termination of 45% of its sales force within the Fixed Income Unit of RBC Capital Markets, the purported offer of severance to our client was nothing more than salt on the wound.

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Upon review of Mr. Benhayon's records, as produced by your company, it is undisputed that Mr. Benhayon is a valued long term employee with RBC (and its predecessor, Sutro Partners), spanning almost 17 years¹. It is understood that *at least* for the past 5 years, Mr. Benhayon has consistently been in the top 10% for sales throughout the Fixed Income Unit, this, notwithstanding the volatility of the market during that very same time frame. Additionally, he has been a yearly recipient of the esteemed "Pinnacle Award", which is based solely on productivity. As the table indicates, over the last 5 years with RBC, Mr. Benhayon's earnings, based entirely on a commission structure of approximately 40%, is commensurate with significant revenue to RBC.

YEAR	YTD EARNINGS/COMMISSIONS
2007 (9.5 Mos.)	\$321,924.68
2006	\$364,058.30
2005	\$533,089.35
2004	\$780,459.78
2003	\$1,090,820.87

Although severance is not mandated, the fact that RBC has chosen to offer severance demonstrates its desire to preserve its relationship with its (now) former employee, possible future employees, as well as its remaining ones, and of course, the public at large. It is truly a gesture founded in goodwill. As such, you will no doubt concur that negotiations regarding severance must mimic that same goodwill.

In coming to that determination as to what constitutes an appropriate severance in this instance, given the "outstanding" performance evaluations² and coupled with Mr. Benhayon's productivity for RBC on the whole, it is our opinion that a fair and commensurate offer of severance is the equivalent of 2 weeks' salary per year of RBC service, basing that weekly salary on his average weekly salary over a 5-year term (2003-2007). Using the above figures (taken directly from RBC payroll records and reports), that amount equates to \$421,702:

¹ To be exact: 16 years, 10 months, 10 days.

² The only two Performance Evaluations in Mr. Benhayon's Personnel File are dated October 26, 2006 (rated High Performing/Outstanding) and June 30, 2006 (rated Outstanding).

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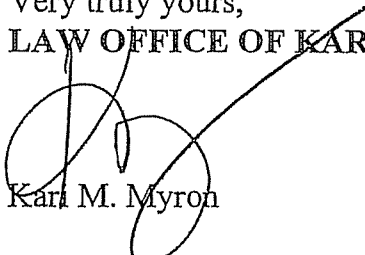
- Total salary of \$3,090,353 for 2003-2007
- \$3,090,353 divided by 57.5 months = \$53,745 per month average
- \$53,745 x 12 = \$644,940 per year average
- \$644,940 divided by 52 weeks = \$12,403 per week average
- \$12,403 x 34 weeks (2 weeks per year of RBC service) = \$421,702

In addition to the foregoing, Mr. Benhayon requests accelerated vesting and distribution under the Wealth Accumulation Plan due to his unexpected separation from RBC. Upon last review of account summary, it is understood that the market value is approximately \$335,000.00. Clearly this was an oversight on the part of the RBC Termination Committee in failing to include the immediate distribution of the WAP account given that Mr. Benhayon's separation was not only involuntary, but also, without cause.

In exchange for the above, Mr. Benhayon will of course execute the requisite General Release being sought by RBC, in exchange for a severance package commensurate with the foregoing.

Understanding that time is of the essence (as was stated in your October 18, 2007 correspondence to Mr. Benhayon), we look forward to your prompt response.

Very truly yours,
LAW OFFICE OF KARI M. MYRON



Karl M. Myron

KMM:ms

cc: Client

LAW OFFICE OF KARI M MYRON

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